

IORDANOU CONSTANTINE
 Form 4
 December 21, 2010

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 IORDANOU CONSTANTINE

2. Issuer Name and Ticker or Trading Symbol
 ARCH CAPITAL GROUP LTD.
 [ACGL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
 (Month/Day/Year)

Director 10% Owner
 Officer (give title below) Other (specify below)

Chairman, President & CEO

WESSEX HOUSE, 4TH FLOOR, 45
 REID STREET

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(Street)
 HAMILTON, D0 HM 12

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|------------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| Common Shares, \$.01 par value per share | 12/14/2010 | | G | V 25 D | 152,735 | D | |
| Series B Non-Cumulative Preferred Shares (non-convertible) | | | | | 67,273.3862 | I | By GRAT |
| Series A Non-Cumulative Preferred Shares (non-convertible) | | | | | 11,224.4855 | I | BY GRAT |

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| | | | |
|---------------------------------------------------------------------|---------|---|-----------------------------------------------------|
| Common Shares, \$.01 par value per share | 129,415 | I | By Limited Liability Company <u>(2)</u> |
| Series B Non-Cumulative Preferred Shares (non-convertible) | 1,400 | I | By spouse |
| Common Shares, \$.01 par value per share | 7,744 | I | By children |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Pri Deriv Secur (Instr | |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------|----------------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Option (right to buy) | \$ 23.5 | | | | | <u>(3)</u> | 01/01/2012 | Common Shares, \$.01 par value per share | 184,119 <u>(4)</u> |
| Stock Option (right to buy) | \$ 23.5 | | | | | <u>(3)</u> | 01/01/2012 | Common Shares, \$.01 par value per share | 215,881 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|-----------------------------------------------------------------------------------------|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| IORDANOU CONSTANTINE WESSEX HOUSE, 4TH FLOOR 45 REID STREET HAMILTON, D0 HM 12 | X | | Chairman, President & CEO | |

Signatures

/s/ Constantine
Iordanou

12/20/2010

__Signature of Reporting
Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Represents a bona fide gift to a family member.
 - (2) The shares are owned by Mathiatis LLC, a limited liability company. The reporting person owns all of the membership interests in Mathiatis LLC and serves as its sole managing member.
 - (3) The stock option became exercisable in three equal annual installments with the first installment being exercisable on January 1, 2002 and the second and third installments being exercisable on January 1, 2003 and January 1, 2004.
On December 29, 2009, 15,554 stock options were distributed from a GRAT. On December 14, 2010, 70,275 stock options were
 - (4) distributed from a GRAT. Such stock options were previously reported as indirectly beneficially held by a GRAT. Following such distributions, the reporting person directly owns 184,119 stock options.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.